Appln. No.: 09/938,326
Amdt. Dated March 29, 2006
Reply to Office Action dated January 26, 2006

Remarks/Arguments

Reconsideration of this application is requested.

Claims 40 and 43 have been rejected by the Examiner under 35 USC § 103(a)

as being unpatentable over Golden et. al. (U.S. Patent No. 5,774,872) in view of Winn

et. al. (U.S. Patent No. 4,970,655).

Golden discloses the following in col 6, lines 4-28:

> "The system 10 includes a central computer 12 which includes a
> processor and an associated data storage facility. Since the central
> computer 12 must process and analyze a great deal of data, it
> typically will be a main frame computer, although a network of
> smaller computers could also be utilized. The data storage facilities
> associated with the central computer 12 are correspondingly large,
> and may include any type of conventional data storage, such as
> semiconductor memory, magnetic memory, optical and magneto-
> optical storage, etc., as well as any combinations thereof.
> The system 10 further includes a plurality of point of sale
> terminals 16 disposed at a plurality of remote vendor locations 14.
> Although FIG. 1 depicts only one such remote vendor location 14
> and one associated point of sale terminal 16, it is to be understood
> that the system of the present invention finds particular utility when
> at least one point of sale terminal 16 is disposed at every remote
> vendor location 14 (such as stores, restaurants, sporting facilities,
> etc.) contained within the jurisdiction of the state taxing authority. In
> some cases, such as, for example, a large department store, a
> single remote vendor location 14 may require a large number of
> point of sale terminals 16, while in other cases, such as a
> convenience store, a single terminal 16 may be sufficient."

Golden does not disclose or anticipate a secure compressor.

Applicant defines a secure compressor 21 in line 20 of page 8 to line 12 of page

9 which read as follows:

> "Secure coprocessor 21, preferably, is responsible for the security
> and accuracy of tax calculation and accounting. Secure
> coprocessor 21 is a tamper-resistant module, i.e., the IBM 4758
> Cryptocard, in order to ensure that the seller is not able to tamper
> with the tax calculation and accounting functions. Secure
> coprocessor 21 contains Non-Volatile Memory (NVM) 22 that is
> used to store security parameters, configuration data and
> aggregate tax totals. The security parameters include such items as
> secure coprocessor serial number, expiration date of the secure
> coprocessor, cryptographic keys, etc. The configuration data

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> includes such items as tax jurisdiction liability, taxing jurisdiction
> bank account numbers, seller identification number, seller unique
> identifier, frequency of contact with CSP, etc. Aggregate tax totals
> are maintained in secure coprocessor 21 for each taxing
> jurisdiction. Each aggregate total represents all the taxes due to all
> the tax jurisdictions within a particular state. These totals are
> maintained within secure coprocessor 21 to protect them from
> unauthorized modification. The total tax collected for each
> jurisdiction may be maintained optionally in secure coprocessor 21;
> however, this data also may be extracted from the tax data
> database 24."

Thus, Golden does not disclose or anticipate a tamper resistant module.

The Examiner stated the following in page 3 of the January 26, 2006, Final

Rejection.

> "However, there is no disclosure in Golden et al of said taxing
> jurisdiction interrogating said secure processor to ensure the
> integrity thereof, g) determining whether said secure processor is
> functioning properly, and h) shutting down said tax meter at the
> instruction of said taxing jurisdiction if it is determined that said
> secure coprocessor is not functioning properly.
> However, Winn et al. discloses a POS terminal 14 which is
> connected to a state authority interrogating said secure processor
> to ensure the integrity thereof, g) determining whether said secure
> processor is functioning properly (See col. 8 lines 51- 68). The
> interrogating computer while not shutting down the POS, does
> cause the POS to send a notification call to an appropriate authority
> that a problem exists. It is deemed an obvious variant of call
> notification of a problem to shut something off. In addition, official
> notice is taken of the practice of shutting a device off e.g. "out of
> order" if the device is malfunctioning. The motivation being a
> continued monitored device."

Winn discloses the following in col 8 lines 51-60:

> "A remote maintenance and monitoring capability is also provided
> by remote monitor mode 116, which is available at all times while
> the main program is running to allow a remote computer to call up
> the system via the telephone line connected to the point of sale
> modem, allowing the remote computer and local system to
> exchange information at any time. This provides a remote access to
> status files, data and program areas, allowing supervisory and
> maintenance personnel to investigate any system faults, for

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> example, and allowing monitoring to determine when the system
> needs re-stocking with receipt forms, for example Access to the
> tiles and program areas will be limited by passwords to provide
> multi-tiered security in this mode. The remote monitor mode also
> allows the system to place an outgoing call to notify the appropriate
> authority should inventory be low or some other type of problem be
> detected during self testing."

Winn is providing remote access to status bites to allow maintenance personnel

to investigate any system faults, for example re-stocking the system with forms. Winn

does not disclose or anticipate integrating the secure processor to insure the integrity of

the processing; i.e., it has not been tampered with, and is functioning properly.

Thus, steps f, g, h, of claim 40 are not disclosed or anticipated by Golden and/or

Winn namely,

> f) said taxing jurisdiction interrogating said secure processor to ensure the
>
> integrity thereof,
>
> g) determining whether said secure processor is functioning properly, and
>
> h) shutting down said tax meter at the instruction of said taxing jurisdiction if
>
> it is determined that said secure coprocessor is not functioning properly.

Claims 41 and 42 have been rejected by the Examiner under 35 USC § 103(a)

as being unpatentable over Golden et. al. in view of Winn et. al. as applied above and

further in view of Hurta (U.S. Patent No. 6,725,202).

The Examiner stated the following in page 4 of the January 26, 2006, Final

Rejection.

> "Golden et at. disclose the subject matter of claims 41 as set forth
> above. However they do not disclose an antifraud step whereby
> transmitting from the seller to the purchasing taxing jurisdiction a
> log of specific sales and use tax transactions. However, Hurta et al.
> do disclose an antifraud checking step whereby the paying tax
> customer (transponder owner) submits his transponder payment
> log to the authority and the authority analyses these against its
> receipts numbers see cot. 7 lines 33-40. It would be obvious to
> modify the method of Golden et alto include the log check feature of
> Golden et at which obviously must include some given check such
> as the red tagged purchase by an identifiable entity the motivation
> being the prevention of fraud. The motivation being the checks
> result in increased revenue stream for the state."

Hurta discloses the following in col 7 lines 33-40:

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"One application of this transaction number data would be to submit all or some transactions from the interrogator to a host or processing unit for analysis. By this method the processing unit can compile the submitted transponder responses along with their associated transaction numbers or receipt numbers. In the event of a double inclusion of a certain number or in the event of a certain receipt number being skipped, it is likely that an error or a fraud has been committed."

Neither Golden, Winn or Hurta taken separately or together disclose or anticipate giving a seller notice that a taxing jurisdiction is studying its log of all sales and use tax transactions.

In view of the above claims 40-43 should be allowable. If the Examiner has any questions would he please call the undersigned at the telephone number noted below..

Respectfully submitted,

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